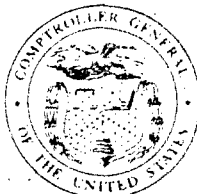


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DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

[Protest of IFB Cancellation]

FILE: B-201137

DATE: February 17, 1981

MATTER OF: Reliable Reproductions, Inc.

DIGEST:

Cancellation of invitation which did not include quantities for each line item and which would have resulted in evaluation based on aggregate of line item prices is proper since invitation permitted bidders to submit materially unbalanced bids and did not provide for determination of low bidder based on actual work to be performed.

Reliable Reproductions, Inc. (Reliable) protests the cancellation after bid opening of invitation for bids (IFB) No. ASC-K01-80-3308 by the Bureau of Indian Affairs, Department of the Interior, Albuquerque, New Mexico. Reliable contends that the cancellation results in an unnecessary exposure of its bid price since: 1) all bidders were familiar with the evaluation method used in the invitation; 2) all bidders had previously bid for this same requirement; and 3) the bid prices received were competitive and reasonable. For the reasons stated below, we are denying the protest.

The solicitation called for bids to provide certain reproduction services. The schedule contained fourteen separate line items which were unweighted as far as quantities to be ordered during actual contract performance. Award was to be made on an "ALL OR NONE" basis, i.e., by simply totaling the prices received from each bidder for the fourteen unweighted line items.

The agency justified the cancellation action in regard to the procurement as follows in its report to our Office in response to the protest:

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"Our procuring activity canceled [the IFB] because the method provided in the IFB for determining the low bidder would not result in the lowest overall cost to the Government. This is because each contract line item in the IFB was given equal weight in determining the low bidder. In fact, the procuring activity knows that it will purchase significant quantities of certain line items and few quantities of others based on its historical procurement experience for these items. In addition, the incumbent contractor alone is aware of the procurement history for these items, affording an unfair competitive advantage in the procurement."

We understand that the new solicitation is properly weighted to reflect actual ordering experience by the agency for each line item for fiscal year 1980.

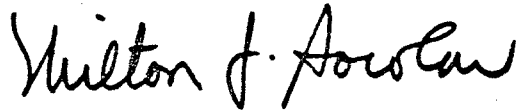
The question for resolution is whether the evaluation method used in the initial invitation comported with the statutory and regulatory requirement for free and open competition. We do not believe it did. In this regard, 41 U.S.C. § 253(a) (1976) requires that "specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of property and services necessary to meet the requirements of the agency concerned." Implicit in this statutory provision is, we think, the requirement that in this type of procurement care be taken to assure that any bid evaluation basis be designed so as to assure that a reasonable expectation exists that an award to the lowest evaluated bidder will result in the lowest cost to the Government in actual performance.

Thus, our Office has held that an evaluation basis which encourages the submission of unbalanced bids, i.e., "bids based on speculation as to which items are purchased more frequently or in greater quantity than others," is

inappropriate. 44 Comp. Gen. 392, 396 (1965). In this vein, we have sustained the cancellation of an invitation where the evaluation basis employed would have resulted in paying higher prices to the low bidder as evaluated than would have been secured from the evaluated second low bidder. B-162389, December 19, 1967. Our decision which is reported at 44 Comp. Gen. 392 involved a contract for various printing services in which prices were required for 328 bid items but instead of stating estimated quantities for those items, the invitation advised bidders that a model printing job comprised of only a few of the priced items would be used for evaluation. While the primary reason we found the invitation faulty in that case was the fact that bidders were not sufficiently advised of the evaluation bases, another "serious objection" we had to the invitation was that "there would be no assurance that award would be made to the lowest aggregate bidder since a bidder could be low on the basis of the 'model job' evaluation and yet be high in the aggregate."

In the present case, we believe that the evaluation formula permitted the material unbalancing of bids since there is doubt that an award to the apparent low bidder would result in the lowest ultimate cost to the Government. This is so because quantities were not indicated for each line item and the agency reports that it anticipates purchasing much higher quantities of some items than others. See Tennessee Valley Service Company, B-188771, July 20, 1977, 77-2 CPD 40. Moreover, we have repeatedly held that the lowest bidder must be measured by the total and actual work to be awarded. Any measure which incorporates more or less than the work to be contracted for in selecting the lowest bidder does not obtain the benefits of full and free competition required by the procurement statutes. See 50 Comp. Gen. 583 (1971); Linolex Systems, Inc., et al., 53 Comp. Gen. 895 (1974), 74-1 CPD 296; Square Deal Trucking Co., Inc., B-183695, October 2, 1975, 75-2 CPD 206.

Since here the Government did not obtain a true and realistic picture of the actual cost sufficient to assure award to the lowest responsive bidder, we find the cancellation of the IFB to have been proper. The protest therefore is denied.

A handwritten signature in cursive script, reading "Milton J. Aorolan".

Acting Comptroller General
of the United States